## BEFORE THE OIL AND GAS CONSERVATION COMMISSION OF THE STATE OF COLORADO

IN THE MATTER OF THE APPLICATION	)	
OF CARRIZO (NIOBRARA) LLC, FOR AN	)	
ORDER ESTABLISHING A 320-ACRE	)	Cause No. 535
DRILLING AND SPACING UNIT WITH UP	)	
TO SIXTEEN HORIZONTAL WELLS IN	)	Docket No.
THE UNIT, LOCATED IN THE S1/2 OF	)	
SECTION 21, TOWNSHIP 9 NORTH,	)	
RANGE 58 WEST, 6TH P.M. WELD	)	
COUNTY, COLORADO,		

#### **APPLICATION**

Carrizo (Niobrara) LLC ("Applicant"), 1 by and through its attorneys, Holland & Hart LLP, respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order to establish a 320-acre drilling and spacing unit with up to 16 horizontal wells authorized in the unit, in the following-described lands:

Township 9 North, Range 58 West, 6<sup>th</sup> P.M. Section 21: S½

Weld County, Colorado (the "Application Lands").

In support of its Application, Applicant states and alleges as follows:

- 1. Applicant is a corporation duly authorized to conduct business in the State of Colorado and is an operator in good standing with the Commission. Applicant's operator number is 10439.
- 2. Applicant owns substantial leasehold interests in the Application Lands. A map of the Application Lands is attached as <u>Exhibit A</u>.
- 3. Commission Rule 318.a. for unspaced lands provides that a well to be drilled in excess of two thousand five hundred (2,500) feet in depth shall be located not less than six hundred (600) feet from any lease line, and shall be located not less than one thousand two hundred (1,200) feet from any other producible or drilling oil or gas well when drilling to the same source of supply, unless authorized by order of the Commission upon hearing. The Application Lands are subject to this Rule for the Niobrara Formation.
- 4. On February 22, 2011, the Commission issued Order No. 535-3, which, among other things, established 160 approximate 640-acre drilling and spacing units for certain lands including Section 21, Township 9 North, Range 58 West, 6th P.M. and

<sup>&</sup>lt;sup>1</sup> Carrizo (Niobrara) LLC is a subsidiary of Carrizo Oil & Gas, Inc.

allowed one horizontal well in each unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

- 5. On May 6, 2013, the Commission issued Order No. 535-328 which, among other things, 1) vacated an approximate 640-acre drilling and spacing unit established by Order No. 535-3 for Section 21, Township 9 North, Range 58 West, 6th P.M.; and 2) established an approximate 320-acre drilling and spacing unit consisting of the N½ of Section 21, Township 9 North, Range 58 West, 6th P.M.; and approved one horizontal well within the unit, for the production of oil, gas and associated hydrocarbons from the Codell-Niobrara Formation.
- 6. Applicant requests that the Commission establish a 320-acre drilling and spacing unit upon the Application Lands, and allow up to 16 wells within the unit, with the productive interval of the wellbore to be located no closer than 300 feet from the unit boundaries, and no closer than 150 feet from the productive interval of any other wellbore located in the unit, without exception granted by the Director.
- 7. Applicant asserts that the requested drilling and spacing unit and number of wells are necessary to prevent waste, protect correlative rights, and to assure the maximum efficient recovery of oil, gas and associated hydrocarbons from the Niobrara Formation on the Application Lands.
- 8. That in order to promote efficient drainage of the Niobrara Formation underlying the application lands, to prevent waste, and to protect correlative rights, the Commission establish a 320-acre drilling unit with up to sixteen horizontal wells in the drilling and spacing unit comprised of Application Lands. The specified size and configuration of the requested drilling unit is not smaller than the maximum area that can be economically and efficiently drained by the requested well(s).
- 9. Applicant states that the proposed wells will be located on no more than two well pads within the unit, or the equivalent, without exception granted by the Director.
- 8. In accordance with Rules 507.b.(1) and (4), the names and addresses of the interested parties to this Application are set forth in Exhibit B, and the undersigned certifies that copies of this Application shall be served on each interested party as required by Rule 503.e.
  - 10. Applicant agrees to be bound by the oral order of the Commission.
- 11. Applicant shall submit a Communitization Agreement to the Bureau of Land Management within 90 days of the spud of the first well in the proposed unit.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, notice be given as required by law and that upon such hearing this Commission enter its order:

- A. Establishing a 320-acre drilling and spacing unit with up to 16 horizontal wells in the unit upon the Application Lands with the productive interval of the wellbore to be located no closer than 300 feet from the unit boundaries, and no closer than 150 feet from the productive interval of any other wellbore located in the unit, without exception granted by the Director.
- B. For such other findings and orders as the Commission may deem proper or advisable in the matter.

Dated: July 2, 2015

By:

Elizabeth Y. Spencer

Kurt V. Tyler

Hølland & Hart LLP

555 17th Street, Suite 3200

Denver, CO 80202

(303) 295-8367

(303) 295-8398

eyspencer@hollandhart.com

kvtyler@hollandhart.com

### Address of Applicant

Carrizo (Niobrara) LLC Attn: Craig Wiest 500 Dallas Street, 2300 Houston, TX 77002

#### **VERIFICATION**

STATE OF TEXAS	)
	) ss.
COUNTY OF HARRIS	)

Ross D. Wardlaw, of lawful age, being first duly sworn upon oath, deposes and says that he is Senior Landman for Carrizo Oil and Gas, Inc., sole member of Carrizo (Niobrara) LLC, and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.

Ress D. Wardlaw

Subscribed and sworn to before me this 2nd day of July, 2015.

Witness my hand and official seal.

My commission expires: 6/14/20/8

PATRICIA A. RICHMOND Notary Public, State of Texas My Commission Expires June 14, 2018 Latricia Richmond

## BEFORE THE OIL AND GAS CONSERVATION COMMISSION OF THE STATE OF COLORADO

IN THE MATTER OF THE APPLICATION OF ) CARRIZO (NIOBRARA) LLC, FOR AN ORDER ) ESTABLISHING A 320-ACRE DRILLING AND ) SPACING UNIT WITH UP TO SIXTEEN ) HORIZONTAL WELLS IN THE UNIT, LOCATED ) IN THE S½ OF SECTION 21, TOWNSHIP 9 NORTH, RANGE 58 WEST, 6TH P.M. WELD ) COUNTY, COLORADO,							
AFFIDAVIT OF MAILING							
STATE OF COLORADO )							
CITY AND COUNTY OF DENVER )							
Elizabeth Y. Spencer, of lawful age, and being first duly sworn upon her oath, states and declares:							
That she is an attorney for Carrizo Oil and Gas, Inc., that on or before July 2015, she caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit B to the Application.  Elizabeth Y. Spencer							
Subscribed and sworn to before me July 6, 2015.							
Witness my hand and official seal.							
My commission expires: 10/30/2017							

DEBRA L. MAHURON NOTARY PUBLIC STATE OF COLORADO NOTARY ID 19874124698 MY COMMISSION EXPIRES 10/30/2017

Notary Public

**Exhibit A** 

Weld County, Colorado T9N-R58W Sec 21: S2

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# Exhibit B Township 9 North, Range 58 West Section 21: S2

United States of America 2850 Youngfield St. Lakewood, CO 80215	Noble Energy WYCO, LLC. 1625 Broadway, Suite 2200 Denver, CO 80202-4720
David Bauer Weld County 1111 H Street Greeley, CO 80632	Kent Kuster Oil & Gas Consultant Coordinator Colorado Dept. of Public Health & Environment 4300 Cherry Creek Drive South Denver, CO 80246-1530
Tom Schreiner, Energy Liaison Colorado Parks and Wildlife Northeast Region Office 6060 Broadway Denver, CO 80216	

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